

10 Revenue and Receivables

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Revenue and Receivables

Overview

APHIS funding, other than appropriated funding, is addressed in this chapter. This includes revenue and reimbursements the Agency receives from user fees, agreements, fines and penalties, and other miscellaneous sources. Each of these activities requires the recipient of APHIS goods and services to reimburse APHIS for the cost of the goods or services provided. Recipients may include individuals, companies, State and local government agencies, and other Federal agencies. Billings and collections for services provided are also addressed in this chapter. See Chapter 3 of this Manual, *Where APHIS Gets Its Funding*, for more information on appropriated funds and annual vs. no-year funds.

What is a User Fee?

A user fee is a charge for goods or services that benefit the receiver of the service rather than the public as a whole. User fee activities require the recipient of services to pay APHIS for the cost of providing the goods or services. These services are not covered by appropriated funding, and user fee collections allow APHIS to fund the cost of providing the goods and services.

Authorization for User Fees

User fees were authorized by section 2509(a) of the Food, Agriculture, Conservation and Trade (FACT) Act of 1990 (21 U.S.C.136a), as amended by the Omnibus Budget Reconciliation Act of 1990 (Budget Reconciliation Act). This statute, known as the 1990 Farm Bill, authorized the Secretary of Agriculture to prescribe and collect user fees sufficient to cover costs of providing specific services. On April 4, 1996, the Farm Bill section 2509 was amended by section 504 of the Federal Agriculture Improvement and Reform (FAIR) Act of 1996.

Costs Included in User Fees

The Financial Management Division (FMD) calculates user fees to cover the full cost of providing the service for which the fee is charged.

The cost of providing a service includes direct labor, direct materials, administrative support, Agency overhead, and departmental charges. Direct labor costs are the costs of employee time spent specifically to provide the service. Direct material costs include the cost of any materials needed to supply the service. Direct labor and direct material costs vary with the type of good or service provided.

Administrative support costs include local clerical and administrative activities, indirect labor hours (supervision of personnel and time spent doing work that is not directly connected with the service but which is nonetheless necessary); travel and transportation for personnel; supplies, equipment, and other necessary items; training; general supplies for offices, washrooms, cleaning, etc; contractual services (such as guard service, maintenance, trash pickup, etc); grounds maintenance; and utilities. Agency overhead is the pro-rata share, attributable to a particular service of the management and support cost for all Agency activities. Included are the cost of providing budget and accounting services, management support, including the Administrator's office and support at the regional level, personnel services, public information service, and liaison with Congress.

**Costs Included in
User Fees
(Continued)**

Departmental charges are APHIS' share, expressed as a percentage of the total cost, of services provided centrally by the Department of Agriculture (Department). Services the Department provides centrally include the Federal Telephone Service; mail; National Finance Center (NFC) processing of payroll, billing, collections, and other money management; unemployment compensation; Office of Workers Compensation Programs; and central supply for storing and issuing commonly used supplies and Department forms. User fees are reviewed at least annually to ensure that they accurately reflect the cost of the services provided and any necessary additions, deletions, or changes are proposed in the "Federal Register".

**The APHIS Fee
Review**

The purpose of the APHIS fee review is to determine if our fees are adequately recovering costs as required by the Chief Financial Officer's Act of 1990. APHIS completes all requirements as clarified by the USDA Office of the Chief Financial Officer (OCFO) in Departmental Regulation 2100-3, OCFO Biennial Review of Charges for "Things" of Value, January 23, 2002. APHIS strives to meet the OMB Circular A-25, User Charges, objectives.

All Agency user fees are reviewed at least every two years. Each April, APHIS submits reports through the OCFO web site with an analysis of current charges, and evaluation of potential charges, and a schedule of planned reviews for the upcoming fiscal years. These reports are reviewed and approved by the MRP Chief Financial Officer. APHIS maintains original completed forms with signatures and supporting documentation for at least 36 months after review. Please refer all questions regarding the APHIS Review of Charges for "Things" of Value to APHIS, MRPBS, FMD, FSSB, User Fees Section at (301) 734-8351.

PPQ User Fees

There are seven types of Plant Protection and Quarantine (PPQ) user fees: phytosanitary export certificates and six Agricultural Quarantine and Inspection (AQI) – related fees. Reimbursable overtime charges also may apply. See the reimbursable overtime section of this chapter for a discussion of reimbursable overtime. Exhibit 10-1 is a chart showing the AQI user fee authority to collect and spend, the date the fee was implemented, date of last change, party liable for payment, party which collects the fee, when and how the fee is collected, amount of the fee, money trail, final destination of money collected, and the nature of spending from funds.

**PPQ User Fees-
Phytosanitary
Certificates**

Phytosanitary Certificates (Phytos) are issued for the export of plants and/or plant products. Phytos are issued in accordance with 7 U.S.C. §147a and regulations in 7 CFR §353 and §354.3. These documents certify agricultural products as being free from plant pests, according to the phytosanitary requirements of the foreign countries to which the plants or plant products may be exported, or to the freedom from exposure to plant pests while in transit through the United States. The phytos must be issued in accordance with 7 CFR Part 353 to be accepted in international commerce. The regulation for charging a fee for issuing phytos is located in 7 CFR §354.3(g). Appendix 1, Fees and Costs, of the Export Certification Manual contains current rates and directions for charging, collecting, and tracking phyto user fees. This appendix also provides directions for offices to prepare their monthly report of export phytos issued.

Each phyto must be accounted for by the PPQ work unit. The phyto bears a serial number in the right-hand corner, and is therefore, a controlled document. Due to geographic limitations, State/country agricultural personnel are trained and authorized to issue Federal phytos. Amounts charged vary by State, but must be based on the same cost components as the Federal fee structure. Monies collected by States are retained by the States.

**PPQ User Fees-
Phytosanitary
Certificates
(Continued)**

There are three phyto rates: 1) commercial shipments or shipments valued at greater than or equal to \$1,250, 2) non-commercial shipments or low-value shipments (value is less than 1,250), and 3) reissue of any phyto. There also are three types of phytos: Federal Phytosanitary Certificate, PPQ Form 577; Export Certificate, Processed Plant Products Certificate, PPQ Form 578; and Phytosanitary Certificate for Re-export, PPQ Form 579.

**PPQ User Fees-
Phytosanitary
Certificate Fees-
Accounting**

For each phyto issued by APHIS personnel, the recipient must pay the applicable phyto rate at the time and place the phyto is issued, or in the case of the block of prepaid phytos, at the time the phytos are given to the shipper. Currently, a block of phytos **ONLY** can be purchased at the commercial rate.

The PPQ work unit transmits a Record of Public Funds Received, APHIS Form 94, an check/money order to the St. Louis lockbox no later than 48 hours after receiving monies. Exhibit 10-2 is a sample APHIS Form 94. The larger ports transmit on a daily basis. After the APHIS Form 94 and checks are received at the lockbox, the information is sent to the Minneapolis Financial Services Branch (MFSB) who verifies the total amount reported on APHIS Form 94 with the copy of the checks sent with the APHIS Form 94. The APHIS Form 94 receipt copy is then sent back to the originating office.

Because phytos issued in prepaid blocks are not certified at the time of purchase, the work unit must track the phyto using the Export Certificate Record (ECR). The work unit uses the ECR to account for each phyto issued and each transaction made. The ECR also is used to account for phytos issued to other PPQ offices (work stations) and State/country offices.

Payments for phytos issued to other Government agencies are collected through an inter-agency agreement. The Government agencies are charged the noncommercial rate for all phytos issued to them.

**PPQ User Fees-
Phytosanitary
Certificate Fees-
Voided/Reissued
Certificates**

A phyto can either be voided or reissued depending on the circumstances. A phyto is reissued if the broker or client makes a mistake on the phyto. There is an administrative charge for a reissued phyto. The reissued phytos can be any one of the three types of phytos (PPQ Forms 577, 578, or 579). A phyto is considered voided if a PPQ officer or employee makes an error on it. There is no charge for a phyto voided due to PPQ error.

Because all phytos are numbered, they are controlled documents and should be tracked. Therefore, when a phyto is reissued or voided, the replacement must reference the unusable phyto.

**Solid Wood
Packing Materials
(SWPM)
Collections**

Due to increased infestations of devastating, tree killing pests in shipments containing solid wood packing materials, PPQ requires these materials to be inspected and certified pest free upon entry into the country and is required to collect a user fee for the inspection. When collecting fees for the Importation of Solid Wood Packing Materials (SWPM), send the check with an APHIS Form 94 (Record of Public Funds Received) to: USDA, APHIS, User Fees, P.O. Box 952180, St. Louis, MO 63195-2180. In Block 9, Purpose/Accounting Code, please provide the accounting code. If you have any questions, please contact the Accounts Receivable Team Helpline at 612-336-3400.

**PPQ User Fees-
AQI User Fees**

The six AQI user fees are:

- ◆ International Air Passenger User Fee
- ◆ Commercial Aircraft Clearance User Fee
- ◆ Commercial Vessel User Fee
- ◆ Commercial Truck User Fee
- ◆ Commercial Truck Decal User Fee
- ◆ Loaded Rail Car Use Fee

**PPQ User Fees-
AQI User Fees
(Continued)**

Each of these fees is discussed in detailed below. In addition, individual agreements can be set up for inspection services at ports of entry not listed in the regulations. The AQI User Fee regulations are located in 7 CFR 354.3.

These AQI services are performed in connection with the arrival at a port in the customs territory of the United States, or the preclearance or pre-inspection activities at sites outside the customs territory of the United States. Likewise, international passengers aboard commercial aircraft are subject to inspection upon arrival from a place outside of the customs territory of the United States and must pay the APHIS user fee.

**PPQ-AQI User
Fees- International
Air Passenger User
Fee**

The international air passenger user fee is for the inspection and quarantine of the international passenger and his/her baggage.

Exceptions:

- ◆ Passengers arriving from Canada whose journey originates in Canada;
- ◆ Crew members who are on duty on a commercial aircraft;
- ◆ Airline employees, including “deadheading” crew members, who are traveling on official airline business;
- ◆ Diplomats, except United States diplomats, who can show that their names appear on the accreditation listing maintained by the United States Department of State;
- ◆ Passengers departing and returning to the United States without having touched a foreign port or place other than Canada;
- ◆ Passengers arriving on any commercial aircraft used exclusively in the Government service of the United States or a foreign Government, as long as the aircraft is not carrying persons or merchandise for commercial purposes;

**PPQ-AQI User
Fees- International
Air Passenger User
Fee (Continued)**

- ◆ Passengers arriving on an aircraft due to an emergency or forced landing;
- ◆ Passengers transiting the United States and not subject to inspection; and
- ◆ Passengers moving from the United States Virgin Islands to Puerto Rico.

Collection Process: The international air passenger user fee is collected by the airline at the time the ticket is sold to the passenger. If the passenger's ticket or travel document does not reflect the collection, then the carrier transporting the passenger is responsible for collecting the international air passenger user fee. The international air passenger user fee collections are remitted by the airlines, on a voluntary basis, 31 days after the close of each quarter to a St. Louis lockbox. The collections are then entered into FFIS. ART sends quarterly reminder letters to the airline 30 days before the payment is due.

**PPQ-AQI User
Fees- Commercial
Aircraft Clearance
User Fee**

The commercial aircraft clearance user fee is charged to airline carriers, operators, or owners, for quarantine and inspection of an international aircraft and its cargo. The fee applies to the inspection of cargo during normal business hours, or when inspected concurrently with the aircraft. Each commercial aircraft which is arriving, or which has arrived and is proceeding from one United States airport to another under a United States Customs Permit to Proceed and which is subject to inspection is responsible for paying the APHIS user fee.

Exemptions:

- ◆ Any aircraft moving solely between the United States and Canada;
- ◆ Any aircraft used exclusively in the Governmental services of the United States or a foreign Government so long as the aircraft is not carrying persons or merchandise for commercial purposes;
- ◆ Any aircraft making an emergency or forced landing;
- ◆ Any aircraft with 64 or fewer seats, which is not carrying any agricultural cargo and which is not equipped to offer in-flight food services;

**PPQ-AQI User
Fees- Commercial
Aircraft Clearance
User Fee
(Continued)**

- ◆ Any aircraft moving from the United States Virgin Islands to Puerto Rico; and
- ◆ Any aircraft making an in-transit stop at a port of entry, during which the aircraft does not proceed through any portion of the Federal clearance process, no cargo is removed from or placed on the aircraft, no passengers get on or off the aircraft, no crew members get on or off, no food is placed on the aircraft, and no garbage is removed from the aircraft.

Collection Process: The commercial aircraft clearance user fee is remitted by the airline carriers, on a voluntary remittance basis, 31 days after the close of each quarter. Payments are sent to the St. Louis lockbox. The collections then are entered into FFIS. ART sends quarterly reminder letters to the airlines 30 days before the payment is due.

**PPQ-AQI User
Fees- Commercial
Vessel User Fee**

The commercial vessel user fee is for the inspection of the commercial vessels of 100 net tons or more and charged only for the first 15 arrivals each calendar year. The vessel user fee also applies to cargo if it is inspected concurrently with the vessel. The master, licensed deck officer, or purser of any commercial vessel which is subject to inspection and which is either required to make an entry at the Customs House or is a United States-flag vessel proceeding coastwise upon arrival, must proceed to Customs and pay the commercial vessel fee.

Exemptions:

- ◆ Any vessel which sails solely between the United States and Canada;
- ◆ Foreign passenger vessels making at least 3 trips a week from a port in the United States to the high seas and returning to the same port in the United States, not having touched any foreign port or place other than Canada, or taken any stores other than in Canada;
- ◆ Any vessel which is being used solely as a tugboat;
- ◆ Vessels used exclusively in the Governmental service of the United States or a foreign Government so long as the vessel is not carrying persons or merchandise for commercial purposes;
- ◆ Vessels arriving in distress or to take on bunkers, sea stores, or ship's stores; and
- ◆ Tugboats towing vessels on the Great Lakes.

**PPQ-AQI User
Fees- Commercial
Vessel User Fee
(Continued)**

Collection Process: The commercial vessel user fee is collected by the United States Customs Service. Customs reports collections of the commercial vessel, truck, and decal to APHIS on a monthly basis. The Customs inspectors collect the APHIS fee at the time of entry at the port, deposit the collections, and Customs-NFC reports collections to ART. The collection information is transmitted through the Intra-Governmental Payment and Collection System (IPAC), and ART updates FFIS.

**PPQ-AQI User
Fees- Commercial
Truck and
Commercial Truck
Decal Fee**

Commercial truck and truck decal fees are for the inspection of commercial trucks at the Mexican land border **ONLY**. The driver or other person in charge of a commercial truck which is entering the customs territory of the United States and which is subject to inspection upon arrival, must proceed to Customs and pay the commercial truck fee or purchase the truck decal for a given calendar year.

Exemptions:

- ◆ Trucks entering the customs territory of the United States from Canada.

Collection Process: The commercial truck and truck decal user fees are collected by the United States Customs Service. Customs reports collections of the commercial vessel, truck and decal to APHIS on a monthly basis. The Custom inspectors collect the APHIS fee at the time of entry at the border, deposit the collections, and Customs-NFC reports collections to ART. The collection information is transmitted through IPAC, and ART updates FFIS.

**PPQ-AQI User
Fees- Loaded Rail
Car User Fee**

The loaded rail car user fee is for the inspection of loaded railroad cars crossing the U.S.-Mexican land border **ONLY**. This fee is charged for each loaded rail car which is subject to inspection upon each arrival. Each railroad company is responsible for paying the fee.

Exemptions:

- ◆ Commercial rail cars entering the customs territory of the United States from Canada;
- ◆ Any commercial railroad car that is part of a train whose journey originates and terminates in the U.S.; and
- ◆ Locomotives and cabooses.

**PPQ-AQI User
Fees- Loaded Rail
Car User Fee
(Continued)**

Collection Process: The loaded rail car user fee is remitted by the railroad companies on a monthly basis, on a voluntary remittance basis, 60 days after the end of the month. (i.e., the February user fee remittance is due April 30). ART sends monthly reminder letters to the railroad companies 30 days before the payment is due. Payments are sent to the St. Louis lockbox and then entered into FFIS.

**PPQ-AQI User
Fees- Special
Inspections**

If a customer requests inspection services at a port of entry which is not designated in the regulations, then the customer must pay the travel and per diem of the person(s) coming to that special port to do the work.

**AQI User Fee
Audits**

The APHIS Resource Management Systems and Evaluations Staff performs audits of airline or rail car companies. If APHIS determines through an audit that a company has underpaid, the APHIS auditor informs ART of the liability and ART performs collection actions if necessary. The audit statement serves as the bill to the company for the underpayment. Payments are sent directly to the St. Louis lockbox, and ART records the collection in FFIS.

**Veterinary Services
(VS) User Fees**

VS user fees are charged for import, export, and veterinary diagnostic goods and services provided for live animals, animal products, organisms and vectors, and germplasm (semen, embryos, and ova). These services are provided as we carry out the requirements of Title 9, Code of Federal Regulations (CFR), Animals and Animal Products. User fees are charged for the quarantine of animals and birds in APHIS-owned or operated animal import centers; import or export services at land border, ocean, and airports; veterinary diagnostic tests, reagents, and services; export health phyto endorsements; inspection and approval of slaughter and product establishments; processing applications for import permits; laboratory and facility inspections; and other miscellaneous import or export services provided.

**VS User Fees –
Operating
Procedures Manual**

The VS User Fees Operating Procedures Manual consists all information pertinent to these fees including responsibilities; authorities; regulations; forms of payment; completion of forms; instructions for charging import, export, and veterinary diagnostic user fees; handling and safeguarding collections; document control and accounting; record keeping and reports;

**VS User Fees –
Operating
Procedures Manual
(Continued)**

and questions and answers. Chapter 7 (Import User Fees) and Chapter 8 (Export User Fees) of the VS User Fees Operating Procedures Manual provide guidance for the import and export user fees including minimum fee charges, hourly rate computations, overtime, the Airport and Airway Development Act (AADA) and user fees, and collections for approved slaughter and product establishments. Chapter 9, VS User Fees Operating Procedures Manual, National Veterinary Services Laboratories (NVSL) User Fees, addresses veterinary diagnostic user fees.

VS User Fee Charts

Exhibit 10-3 at the end of this chapter provides summary information on the amount of the fees, user fee units, dates implemented, dates of latest changes, points of collection, and when fees are due. Exhibits 7-1, 7-2, 7-3, 8-1, and 8-2 of the VS User Fees Operating Procedures Manual provide details on the user fees including their service codes, a description of service, the user fee units, the fee amounts, the time the fees are collected and points of collection. Exhibits 9-1 and 9-4 to the VS User Fees Manual provide details on the veterinary diagnostic user fees.

**VS User Fees –
Accounting
Information**

Chapter 11, Document Control and Accounting, VS User Fees Operating Procedures Manual, discusses accounting codes to be used for VS user fees, reconciliation of user fee accounts, document control numbers, and status of funds reports. All VS user fees are recorded under appropriation X75. The reporting categories are 175 for animal import centers, 176 for all other import services, 177 for export services, 690 for veterinary diagnostic tests and 691 for diagnostic reagents. Each individual user fee has a specific service code set up in the VS User Fee System (UFS) at Minneapolis so that volumes and revenue by individual fee can be tracked and identified.

**VS User Fees –
APHIS Form 81,
Statement of
Services**

The APHIS Form 81 is an invoice or charge document. It is used to record individual transactions. (See Animal Import Centers section below for a description of how APHIS Form 81 charges at the centers are summarized on a final bill). It is An accountable document; each form is assigned a unique control number. Detailed instructions for this form are included in Chapter 6, VS User Fees Operating Procedures Manual. This includes the types of forms (manual and automated), distribution of forms, ordering forms, instructions for correcting and voiding forms, and samples of forms.

**VS User Fees –
APHIS Form 81,
Statement of
Services
(Continued)**

The APHIS Form 81 is used for all transactions including hourly rate services, premium hourly rate services, and reimbursable overtime services. If a customer pays by cash, check, or credit card at the time the services are provided, the APHIS Form 81 serves as a receipt for payment of services rendered. Field offices send copies of the APHIS Form 81 to MFSB both electronically and manually. Check payments are forwarded to an APHIS lockbox in St. Louis along with a copy of the APHIS Form 81. Credit card payments are reported to ART by Mellon Bank, and ART records the credit card collection in FFIS.

**VS User Fees –
Forms of Payment**

Forms of payment for VS User Fees are discussed in detail in Chapter 5, VS User Fees Operating Procedures Manual. There are four methods of payment available: cash (at specified locations), check/money order, credit card, or established APHIS credit. Cash is accepted at specific locations outlined in the VS User Fees Operating Procedures Manual. Instructions for use of the credit card machines also are included.

Charges incurred through established credit are recorded on APHIS customer accounts and the customer is billed monthly. Customers mail their payments to the St. Louis lockbox and reference their account number.

**VS User Fees –
Billings and
Collections**

APHIS uses FFIS for billing and collecting VS user fees. FFIS is an automated accounts receivable system which provides a computerized method for billing and collecting user fees. FFIS summarizes all APHIS Form 81 charges incurred by each individual APHIS account holder and produces consolidated monthly bills to the customers. This monthly statement also reflects all collections received during the month. Exhibit 10-4 is a sample billing statement. Payments received from customers are applied to their customer accounts.

Deadlines. Customers have about 25 days from the date of the bill to make payments. Accounts are considered past due if payment is not received by the 25th of the month in which they are billed. FFIS automatically calculates interest and penalties on all delinquent accounts. For FY 2002, interest was assessed at an annual rate of 3% on all past due amounts. Accounts more than 90 days past due are assessed an additional 6% late penalty charge. Administrative charges are applied for checks returned due to insufficient funds (NSF).

**VS User Fees –
Billings and
Collections
(Continued)**

NFC automatically sends dunning notices to customers whose accounts are 30 and 60 days past due.

Problems/Charge Disputes. ART addresses questions from customers regarding the billing statements, such as whether or not a payment has been received. ART addresses questions from customers relating to individual APHIS Form 81 charges. Customers who disagree with a charge on their accounts can “appeal” the charge. ART will place the document in an appeal status and follow up with the field office to resolve the dispute.

**VS User Fees –
Veterinary
Diagnostics**

NVSL produces a computer-generated APHIS Form 81 and unique control number. This form is returned to the field office submitting the samples by facsimile or mail after tests have been completed along with lab results. The NVSL APHIS Form 81 control numbers correlate with lab accession numbers. Lab accession numbers are internal numbers assigned and used by NVSL to track each and every item received by the lab for testing. Animal import centers transfer veterinary diagnostic charges per the NVSL APHIS Form 81 to their final bill. (See the Animal Import Center section of this chapter). Detailed instructions for veterinary diagnostic user fees are contained in Chapter 9, VS User Fees Operating Procedures Manual, including when fees are due, NVSL responsibilities, and animal import center staff responsibilities for veterinary diagnostic charges.

**VS User Fees –
Animal Import
Centers (AIC)**

Procedures for charges at the animal import centers are different from all other VS user fee charges. Instead of using APHIS Form 81's for billing purposes, the APHIS Form 81's are used as supporting documentation, and the centers use APHIS Form 223, Report of Quarantine Services Rendered, for each import. This form summarizes all charges associated with an individual importation including the quarantine charges from the APHIS Form 81's, the veterinary diagnostic charges, and reimbursable overtime, and it is used as a billing document (invoice) for services. On this form, we take into consideration any reservation fees which may have been deposited up front for imports. Payment of all quarantine services is required prior to the release of any animal/bird from quarantine.

**VS User Fees –
Animal Import
Centers (AIC)
(Continued)**

AIC personnel attach payments received to an APHIS Form 94 and forward them to the St. Louis lockbox.

Reservation Fees. Quarantine services for animals or birds to be imported into the U.S. are provided on a reservation basis. Each facility has limited space available for the varied animals or birds to be imported. Therefore, it is necessary for importers to request available space by submitting a reservation form. Space at the centers is reserved on a first-come first-served basis. These reservation fees cover the estimated costs of quarantine, testing, and lab fees. Depending upon the type of animal or bird imported, some importers must pay the entire amount due in advance, while others pay only a portion of this amount. Each request for reservation of space must be accompanied by the appropriate reservation fee specified in 9 CFR §92.

Payments received for reservation fees are forwarded to the St. Louis lockbox with an APHIS Form 94. Provide the accounting code and revenue source code in the Purpose/Accounting Code Block. Reservations which are not canceled in accordance with 9 CFR §92 may be forfeited in their entirety. Those canceled in accordance with the regulation are still subject to a \$40 cancellation fee. Reservations which are canceled will have the reservation fee refunded minus the cancellation fee. Reservation fees paid for one reservation should be refunded and not applied to a new reservation request.

**Reimbursable
Overtime (ROT)**

APHIS has the authority under the Import/Export Act, 7 U.S.C. 2226, to pay employees for performing inspection or quarantine services relating to imports into and exports from the United States for all overtime, night, or holiday work. This Act also authorizes the Agency to develop rates, to recover full cost of performing service, and to accept reimbursement from persons for whom work is performed for services rendered after hours.

User fees have dramatically changed the ROT process. VS no longer uses the APHIS Form 89, Report of Reimbursable Inspection and Quarantine Services and Instructions; instead, ROT is one of many VS user fees processed through the APHIS Form 81.

**Reimbursable
Overtime (ROT)
(Continued)**

The “VS User Fees” section of this chapter provides information on VS user fees. PPQ has incorporated about half of its ROT costs in user fees. FMD still develops ROT rates separately, and they should be charged in the situations outlined in 7 CFR §354 for PPQ and 9 CFR §97 for VS.

The AQI user fees encompass specific ROT costs in providing AQI costs, including clearance of passengers and means of conveyance regardless of arrival time when a user fee is paid. In contrast, ROT is charged for clearance of cargo outside of normal hours unless it is cleared concurrently with the means of conveyance. Also, because user fees are not charged for clearance of passengers and conveyances arriving on the mainland from Hawaii and Puerto Rico, ROT is assessed for all services requested outside of normal business hours.

Reimbursable overtime rates, ports, and guidelines for charging are outlined in 7 CFR Part 354.1 for PPQ and 9 CFR Part 97.1 for VS.

**Types of ROT
Rates**

There are two types of ROT rates: 1) regular overtime rates, and 2) AADA overtime rates.

Regular Overtime. The regular overtime rates were developed for inspections performed outside the regular tour-of-duty of the employee on weekdays, holidays, and Sundays. Regular overtime rates are developed to recover the full cost of providing the inspection service after hours. Regular overtime rates include the cost of inspection personnel, program delivery, program direction and support, management support costs, billing and collection costs, and departmental charges.

AADA Overtime. Public Law 94-353 established limitations on the amount to be charged to aircraft owners and operators for inspection and clearance of aircraft. Rates established for AADA inspections recover only the cost actually incurred in performing the inspection. All overhead costs, such as program direction and support, management support, and departmental charges, are excluded from the rates. There is a rate for AADA Weekday/Holiday and another rate for AADA Sunday Overtime. In addition, a maximum rate of \$25.00 is established under AADA for the border clearance of any private aircraft or vessel for all inspection services provided by U.S. Government agencies combined.

VS ROT

APHIS treats VS reimbursable overtime like all other VS user fees. See the Veterinary Service User Fees section of this chapter. VS reimbursable overtime is discussed in detailed in the Veterinary Service User Fees Operating Procedures Manual. VS reimbursable overtime for import services is covered in Chapter 7.3, (Import) Overtime, VS User Fees Operating Procedures Manual. ROT for export services is covered in Chapter 8.3, (Export) Overtime.

These sections include a discussion of the premium hourly user fee rates (PUFR); when they apply vs. when reimbursable overtime rates apply. Reimbursable overtime charged in conjunction with flat rate user fees, travel time computations, and starting and ending travel points also are covered.

VS Reimbursable Overtime Forms. All VS user fee charges, including VS reimbursable overtime charges, are detailed on the APHIS Form 81. Like all other VS user fee services, VS reimbursable overtime services have specific service codes set up in the VS User Fee System (UFS) in Minneapolis so that reimbursable overtime activity can be identified. VS Form 8-81A, Report of Reimbursable Inspection and Quarantine Service Worksheet, is used to assist with computing charges for reimbursable overtime and premium hourly user fee charges, for payroll record keeping and as a record for the client. See Chapter 6, Completion of Forms, VS Operating Procedures Manual, for information about the APHIS Form 81 and the VS Form 8-81A. This includes the types of forms (manual and automated), distribution of forms, and instructions for correcting and voiding the forms.

Reimbursable Overtime at AIC's. All reimbursable overtime charges related to a specific importation are summarized along with all other charges for that import (including quarantine and veterinary diagnostic charges) on APHIS Form 223, Report of Quarantine Services Rendered.

PPQ ROT

APHIS uses APHIS Form 89, for billings and collections of PPQ ROT. The APHIS Form 89 serves as the itemized bill and is mailed to Minneapolis for entry into FFIS. The charges for each APHIS Form 89 accumulate against the customer's account.

**PPQ ROT
(Continued)**

About the 1st of each month, bills are produced with a payment due date of the 25th. Collections for bills are received in the USDA, APHIS, St. Louis lockbox and transmitted to FFIS through an automated process. The collections are recorded and the corresponding receivables then are liquidated.

If a customer pays by check at the time the services are provided, the APHIS Form 89 serves as a receipt for payment of services rendered. Field offices send copies of the APHIS Form 89 and checks to an APHIS lockbox in St. Louis, MO.

Automated APHIS Form 89 Process. The PPQ Southeastern Region (SER) has developed and automated system for preparing the APHIS Form 89 and electronically transmitting it to FFIS. This system is currently in use in Miami, Florida, and is working very well.

**PPQ ROT – APHIS
Form 89
Accountability**

APHIS Form 89 Request. APHIS Form 89's are maintained by MFSB, Accounts Receivable Team in Minneapolis, Minnesota. The APHIS Form 89 is a multi-part snap out form and is printed in pad form with 25 sets per pad. Each location should keep no more than a 3-month supply on hand. PPQ field locations should request the APHIS Form 89 directly from MFSB, Accounts Receivable Team, by speed memo, by e-mail to ABShelpline@aphis.usda.gov, or call (612) 336-3400. Include a complete mailing address with each request. DO NOT request APHIS Form 89 on a Form AD-700, Procurement Request; this will only delay shipment.

APHIS Form 89 Transmittal. MFSB, Accounts Receivable Team, will prepare an APHIS Form 47, Transmittal and Receipt for Accountable Items, to transmit the APHIS Form 89 to each field location. The APHIS Form 47 will be completed in an original and three copies by MFSB, Accounts Receivable Team. The original and first copy will be mailed with the APHIS Form 89, the second copy will be used by MFSB, Accounts Receivable Team, to establish accountability of APHIS Form 89's issued, and the third copy will be retained in a tickler file pending return of the receipted original by the field location.

**PPQ ROT – APHIS
Form 89
Accountability
(Continued)**

Receipt of Form. Upon receipt of the APHIS Form 89, the Port Director (PD) at the field location must verify the serial numbers on the forms with the serial numbers listed on the APHIS Form 47. The PD must sign the original copy of the APHIS Form 47 and return it to MFSB, Accounts Receivable Team.

A record should be maintained of all APHIS Form 89's received and issued by the PD. The record should include the date of receipt or issuance, serial numbers, officer to whom issued, and an acknowledgment of receipt. APHIS Form 89's should be issued in numerical sequence.

When forms are transferred from one PD to another, the sending PD will prepare an APHIS Form 47 to record the transfer of APHIS Form 89's. The APHIS Form 47 will indicate identified. VS Form 8-81A, Report of Reimbursable Inspection and Quarantine Service Worksheet, is used to assist with computing charges for reimbursable overtime and premium hourly user fee charges, for payroll record keeping and as a record for the client. See Chapter 6, completion of the serial numbers being transferred from one PD to the other. The receiving PD will verify the serial numbers, sign the original copy of the APHIS Form 47, and return it to the sender. Each PD will retain a copy for record purposes.

Unusable Forms. On occasion, some forms will become unusable. Since each APHIS Form 89 is an accountable document, the following procedures must be used to ensure proper accountability.

Voided Forms. When an APHIS Form 89 becomes unusable, the officer must draw a large "X" across the face of the form and forward it to the PD to void the form.

Lost or Destroyed Forms. If a form is lost or completely destroyed, the officer must complete a speed memo listing the serial number of the lost or destroyed form and forward Parts 1 and 2 to the PD. Keep Part 3 for your records. A brief explanation of the circumstances leading up to the loss or destruction of the form should be included in the speed memo.

**PPQ ROT – APHIS
Form 89
Accountability
(Continued)**

Area Office Responsibilities. Area offices are responsible for forwarding requests from field locations for APHIS Form 89's to MFSB, Accounts Receivable Team.

MFSB, Accounts Receivable Team Responsibility. MFSB, Accounts Receivable Team, will maintain a record of the serial numbers of all APHIS Form 89's received from the printer. Forms will be stored in a safe place and should be available only to authorized personnel. A record will be maintained of all APHIS Form 89's submitted to each field location.

**PPQ ROT –
Applicant Numbers**

An applicant number is an 11 character number designated by ART to identify the individual, airline, shipping company, or others for which reimbursable overtime inspection services are performed.

Establishing Applicant Numbers. Applicant numbers should be established for frequent users of reimbursable overtime services. The applicant number will be established only after receipt of a completed APHIS Form 192, Application for Credit Account. The completed APHIS Form 192 will be submitted to MFSB for verification before an applicant number is assigned. Services provided will be on a cash basis until MFSB performs a verification of the application and approves the issuance of an applicant number.

MFSB, ART will establish the 11 character applicant number and add them to the Vendor Reference Table (VEND) in FFIS.

**PPQ ROT –
Completion of
APHIS Form 89**

Use of APHIS Form 89. The APHIS Form 89 is used to record reimbursable services performed by APHIS employees relating to the inspection, clearance, or quarantine of plants and plant products, and other import or export commodities or articles subject to inspection under APHIS regulations.

The use of APHIS Form 89 is limited to reimbursable services performed, including commuted travel time, under 7 CFR 354 and 9 CFR 97. The services provided should be charged to the reimbursable appropriation limitation code "X75".

**PPQ ROT –
Completion of
APHIS Form 89
(Continued)**

The APHIS Form 89 must be completed as soon as possible after services are performed. In cases where multiple inspections are scheduled for the same applicant, the form may be retained to record the additional inspections but must be completed and distributed as appropriate, no less frequent than weekly.

A separate APHIS Form 89 must be completed when the fiscal year changes or when the rate changes. Each period of reimbursable services performed after a rate change goes into effect must be reported on a separate APHIS Form 89.

Requests for Service. Requests for reimbursable overtime services fall into two categories: 1) Temporary Users, and 2) Regular Users. All requests for services should be presented sufficiently in advance to allow the PD to schedule employees to perform the service. The PD must take into consideration availability of staff, ongoing activities, and location of requested inspection before requests are approved. In addition, the PD should determine if the request is a one-time request or if the individual/company will be a frequent user of overtime services.

Temporary Users. One-time or intermittent users of overtime services are required to pay for services provided upon completion of services. Payments must be in the form of money order, certified check, or cash. All cash payments should take place in the office and should be converted to a money order immediately. Caution: Do not deposit cash in a private account and write a personal check. This is a commingling of funds and must be avoided.

Regular Users. All regular or frequent users of overtime services should complete APHIS Form 192, Application for Credit Account. The completed APHIS Form 192 will be submitted to MFSB for verification before an applicant number is assigned. Services provided will be on a cash basis until MFSB performs a verification of the application and approves the issuance of an applicant number. MFSB keeps copies of all approved credit applications. When the APHIS Form 192 is on file, it is not necessary to have the APHIS Form 89 signed by the recipient.

**PPQ ROT –
Completion of
APHIS Form 89
(Continued)**

Exception. APHIS Form 89's prepared for other Government agencies, foreign military, and State agencies must be signed by an authorized representative. Make sure they provide a phone number.

AADA. AADA, Public Law 94-353, places limitations on the amount and rates to be charged to aircraft owners and operators.

Private Aircraft. The Government may not charge the owner, operator, or agent of a private aircraft or vessel not being used to transport persons or property for hire more than \$25 for inspection services. The fee will cover the combined services of the various agencies required in providing the clearance. Generally one officer will make the inspection and collect the fee. If more than one agency is involved, the participating employees should determine which agency will handle collection of the fee. There will be no proration of the fee between participating agencies.

Commercial Aircraft. The aircraft clearance inspection is covered (or paid for) by the aircraft clearance user fee if aircraft and cargo are inspected concurrently or cargo is inspected within two hours of the aircraft inspection. AADA provides free ROT service to commercial carrying aircraft on Sundays and holidays during a 9-hour standard tour-of-duty, normally maintained between 0800 and 1730.

The AADA also restricts the rate to be charged after normal tour-of-duty hours to only the cost actually incurred in performing the inspection. The rate charged is exclusive of administrative overhead costs. The officer must determine when the AADA provisions apply and mark the APHIS Form 89 accordingly.

Two-Hour Minimum. Applicants are charged for a 2-hour minimum period only when the inspecting officer is entitled to a 2-hour minimum overtime. If more than one inspection is performed, the 2-hour minimum and any commuted travel time should be prorated between each inspection.

**PPQ ROT –
Completion of
APHIS Form 89
(Continued)**

Instructions for Completing APHIS Form 89. Instructions for the completion of APHIS Form 89 are printed on the inside cover of each pad of forms as a ready reference for each officer. Exhibit 10-5 contains preparation instructions for the APHIS Form 89.

**PPQ ROT –
Distribution and
Transmittal of
APHIS Form 89**

The APHIS Form 89 must be completed and distributed promptly to ensure timely billing of services provided. ART has established the 25th of each month as a cutoff date for billing purposes. All APHIS Form 89's received by this date will appear on the customer's next billing statement. The distribution of completed APHIS Form 89's for PPQ inspection is as follows:

- ◆ Separate original copies of APHIS Form 89's into three categories:
 - Originals for billings,
 - Originals with collections, or
 - Originals adjusting previously issued APHIS Form 89's.
- ◆ Prepare a separate speed memo to transmit each category, and list the category in the subject block. You may list up to 50 forms on each speed memo.

Transmit completed APHIS Form 89 as soon as it is completed. At a minimum, the APHIS Form 89's must be completed and submitted on a weekly basis. The originals for billings and the originals adjusting previously issued APHIS Form 89's must be attached to the respective speed memos and mailed to:

USDA, FMD, MFSB
Accounting Team
P. O. Box 3320
Minneapolis, MN 55403

The remaining copies of the APHIS Form 89 are distributed as follows: mail the yellow copy to the applicant (company/individual that pays the bill), mail the pink copy to the area office or other appropriate location, and retain the green copy for your records.

**PPQ ROT –
Correcting APHIS
Form 89**

The APHIS Form 89 should be reviewed for completeness and accuracy before submission. Any errors or omissions detected should be corrected before submission.

Omission or Error Detected by APHIS Office. Errors detected after the APHIS Form 89 has been billed can be corrected in one of the following ways:

Additional Hours to be Billed. Complete a new APHIS Form 89 to show only the additional hours to be billed. In the Remarks section, indicate the number of hours erroneously omitted from the original APHIS Form 89, and give the complete serial number of the APHIS Form 89 being referenced.

Wrong Applicant Billed. Complete a new APHIS Form 89 for the correct applicant number. Enter the serial number from the incorrect APHIS Form 89 in the “APHIS Form 89 to be Replaced” field (**block 6**) of the new APHIS Form 89. The correct applicant will be billed and at the same time credit will be given to the erroneously billed applicant.

Excess Hours Billed. Complete a new APHIS Form 89 for the correct amount of hours to be billed. Enter the serial number from the incorrect APHIS Form 89 in the “APHIS Form 89 to be Replaced” field (**block 6**) of the new APHIS Form 89. The erroneous amount will be credited from the applicant’s account at the same time the new amount is charged to the applicant’s account.

Disputed Documents From NFC. When an APHIS Form 89, billed by FFIS, is disputed by the applicant, ART will remove the amount from the balance due on the applicant’s bill. The disputed document will remain on the customer’s account in an appeal status until the field provides correct information. A memo regarding the disputed document will be sent to the location recorded on the APHIS Form 89 describing corrective action to be taken (this is normally faxed to the field).

Corrective action on documents in dispute must be accomplished as soon as possible. Return the Disputed Document Memo to ART along with action being taken.

**PPQ ROT –
Correcting APHIS
Form 89
(Continued)**

Assistance in Correcting Disputed Documents. MFSB, Accounts Receivable Team, is available to provide assistance in resolving issues regarding disputed documents. Each document returned must be resolved promptly.

Upon completion of services, an APHIS Form 89, Report of Reimbursable Overtime Services, is prepared to document the hours of overtime services for each inspection. MFSB issues bills, processes payments, and follows up on delinquent accounts. The applicant remits payment to MFSB which is posted against the receivables created for that service.

**PPQ ROT –
Military and Other
Government
Agency Inspections**

MFSB, Accounting Team, is delegated the responsibility for issuing bills to the U.S. military, foreign military, and to other Government agencies for reimbursable overtime inspections. MFSB, Accounting Team, also is responsible for maintaining proper general ledger and subsidiary accounts for services provided to these agencies.

Preparation of the APHIS Form 89.

U.S. Naval Vessels. Each Navy ship is assigned a 5-digit Unit Identification Code (UIC) by the Department of Navy (DON). A prefix of “R” or “V” accompanies each UIC to specify whether the ship is assigned to the Pacific (R) or Atlantic (V) fleet. APHIS has negotiated a Reimbursable Work Authorization with DON to centrally fund ship inspections for each fleet. MFSB, Accounts Receivable Team, will issue a consolidated bill for inspection services provided during the month.

When completing the APHIS Form 89 for U.S. Naval Vessel inspections, the following procedures must be followed:

- a. **APPLICANT NUMBER.** Leave this field blank for Navy vessels.
- b. **NAME AND ADDRESS.** Enter the complete name and mailing address of the unit responsible for payment.
- c. **SERVICE IDENTIFICATION.** Enter the ship’s name.
- d. **REMARKS.** Enter the 5-digit UIC code, plus the alpha prefix.
- e. **SIGNATURE.** Obtain the signature of the ship’s captain or representative on the APHIS Form 89.

**PPQ ROT –
Military and Other
Government
Agency Inspections
(Continued)**

The remainder of the APHIS Form 89 should be completed using current procedures outlined in Exhibit 10-5.

Other U.S. Military Activity and other Government Agencies. When completing the APHIS Form 89 for other U.S. military and other Government agencies, the following procedures must be followed:

- a. **APPLICANT NUMBER.** Leave this field blank. Other U.S. military and other Government agencies are billed by MFSB and do not require an applicant number.
- b. **NAME AND ADDRESS.** Enter the complete name and mailing address of the unit responsible for payment.
- c. **SERVICE IDENTIFICATION.** Enter the tail's identity.
- d. **REMARKS.** Enter the UIC, if applicable, in the "Remarks" block.
- e. **SIGNATURE.** Obtain a signature of the vessel/craft's captain or representative and telephone number, including area code.

The remainder of the APHIS Form 89 should be completed using the current procedures outlined in Exhibit 10-5.

Foreign Military Inspections. APHIS performs many inspections on arriving foreign military vessels/aircraft. To ensure proper identification when billing, and to reduce the lag time in collecting for services provided, the following procedures must be used when completing the APHIS Form 89:

- a. **APPLICANT NUMBER.** Leave blank.
- b. **NAME AND ADDRESS OF APPLICANT.** Complete the name and address as follows: (Country of Origin) Embassy, Attn. (Branch of Military) Attache, Washington, DC.
- c. **SERVICE IDENTIFICATION.** Record "Agric. Inspector" and also vessel name, tail number, or other pertinent identifying remarks.

**PPQ ROT –
Military and Other
Government
Agency Inspections
(Continued)**

- d. PLACE OF SERVICE. Identify the specific location where inspection occurred.
- e. SIGNATURE OF APPLICANT OR APPLICANT'S REPRESENTATIVE. Obtain the signature of the vessel/aircraft's captain or representative. Without a Signature, we cannot effect collection.
- f. REMARKS. Identify the complete name of the vessel/aircraft including any alpha/numeric designations.

Distribution and Transmittal of APHIS Form 89. Forward the original and the yellow copies of the completed APHIS Form 89 for all U.S. military, foreign military, and other Government agencies to:

USDA, FMD, MFSB
Accounting Team
P. O. Box 3320
Minneapolis, MN 55403

The pink copy should be mailed to the area office, and the green copy is retained for your records.

**PPQ ROT – Cash
Collections**

Reimbursable services provided to individuals and companies without an approved applicant number are provided on a Collect-On-Delivery (COD) basis. When services are performed on a COD basis, the APHIS Form 89 must be completed immediately after the inspection.

The APHIS Form 89 serves three purposes when prepared for a COD inspection: 1) provides a receipt to the individual or company for services paid, 2) provides documentation to APHIS that services were performed, and 3) provides a tracking device if a check is returned by the bank for "NSF".

To ensure proper documentation is available to meet the three purposes identified above, the completing officer must ensure the following data is completed on the APHIS Form 89:

**PPQ ROT – Cash
Collections
(Continued)**

NAME AND ADDRESS. The complete name and address including zip code must be shown.

PHONE NUMBER OF APPLICANT. The customer's phone number including area code.

SIGNATURE OF APPLICANT. The recipient or recipient's agent must sign the APHIS Form 89.

COD ATM – CASH PAYMENT RECEIVED. The amount of cash payment received must be recorded in Item 21.

COD INFORMATION. The complete check number should be shown in Item 23. If services are paid for in cash, convert the cash to a money order and record the money order in Item 23. This data is necessary to ensure proper matching when funds are deposited. If services are paid for by a personal check, the customer's taxpayer identification and/or the driver's license number and issuing State must be shown in Item 24.

The original APHIS Form 89's and supporting payments should be mailed to:

USDA, APHIS, ROT
P. O. Box 952179
St. Louis, MO 63195-2179

**PPQ ROT – FFIS
Account Statement**

ART is responsible for having billing statements prepared for all consumer (individuals) and commercial (companies) applicants established by APHIS. ART responsibilities include: 1) maintaining a proper general ledger and NFC is responsible for printing billings statements to all consumer (individuals) and commercial (companies) applicants established by APHIS. NFC responsibilities include maintaining a proper general ledger and subsidiary ledgers to ensure accountability of all bills issued and collections received.

The APHIS Form 89, submitted to Minneapolis, is used as the input document to create the applicant's billing statement. It is APHIS' responsibility to ensure that APHIS Form 89's are legibly completed in accordance with instructions, reviewed for errors or omissions of data, and submitted promptly.

**PPQ ROT – FFIS
Account Statement
(Continued)**

Preparation of the Billing Statement. The information recorded on the APHIS Form 89 is used as the source data to create the billing statement. If invalid or erroneous data is reported on the APHIS Form 89, the invalid or erroneous data will be transferred to the bill. The monthly billing statement is a computer generated bill, similar to the statement issued by commercial credit card companies, for each applicant showing current month charges and payments processed by ART during the billing cycle. The statement shows any unpaid balance plus interest charged on the unpaid balance. In addition, a penalty and additional administrative costs incurred will be assessed on each delinquent balance in excess of 90 days.

The bill will be printed on a perforated sheet. The debtor will retain the bottom portion of the bill and will return the top portion, with payment, to St. Louis. The detailed information will be printed on the bottom portion of the bill. The form will be used as the initial billing statement. Exhibit 10-4 contains a more detailed explanation of the billing statement.

**Amounts Received
Through
Agreements**

There are four major types of funds APHIS receives through agreements: reimbursable funds, trust funds, interagency funds, and funds from cost-sharing agreements. Reimbursable funds arise from reimbursable agreements. For appropriated activities, these funds represent the costs for which we are repaid. Payment for these goods or services may come after the goods or services have been provided. Trust funds are from trust fund agreements and are for non-appropriated activities. The estimated costs for these services are paid to APHIS in advance.

Interagency funds arise from acquisition arrangements developed between at least two Federal agencies for obtaining needed goods and services. Cost-sharing agreements are agreements by more than one party where each party agrees to fund and pay for its agreed share of expenses. This chapter does not address grant agreements used by APHIS to provide grants for research, etc. See the APHIS Agreements Management Manual for information on APHIS grants.

**Legal Documents
Used for
Agreements**

Cooperative Service Agreements are the legal documents used for Reimbursable Funds and Trust Funds. These documents must be used for all agreements entered into with non-Federal entities. Cooperative service agreements may be established on a one-time or continuing basis. See Chapter 6, Cooperative Service Agreements, APHIS Agreements Management Manual, for APHIS policy and procedures for initiating and administering cooperative service agreements.

Interagency Agreements are used for arrangements with other Federal agencies. See Chapter 5, Interagency Agreements, APHIS Agreements Management Manual, for APHIS policy and procedures for developing and administering interagency agreements.

Memorandums of Understanding (MOU's) are used when the arrangement does not involve an exchange of money. See Chapter 7, Memorandum of Understanding, APHIS Agreements Management Manual.

**Reimbursable
Agreement Funds**

Reimbursable agreements provide mechanism for APHIS to be reimbursed for appropriated activities. Before APHIS can enter into a reimbursable agreement, we must have the authority to do so. Payment for these goods or services usually comes after the goods or services have been provided. The reimbursable activity should be monitored to ensure compliance with the agreement and to ensure that compensation is received for work performed.

There are many activities in which APHIS assists State and local governments, organizations, and individuals in the control or elimination of an animal or plant problem. For example, APHIS helps farmers eliminate pest from their fields.

Reimbursable Agreements – Accounting. Obligations and reimbursements are recorded with a specific project code for each activity or agreement under the applicable Appropriation: USDA Reimbursables – X57; Other Federal Reimbursables – X58; or Non-Federal Reimbursables – X59.

**Reimbursable
Agreement Funds
(Continued)**

This accounting data must appear on all documents used to record transactions. Upon receipt of an APHIS Form 90, Report of Reimbursable Services Rendered, MFSB prepares and submits a bill to the customer with payment instructions. This billing is based on services provided as reflected in the accounting system and is recorded against the accounting data assigned to the activity or agreement. This bill includes the billing period, current charges processed by amount and type of expenses, and accounting code.

Bills issued to other Federal agencies must be billed through the IPAC, Intra-Governmental Payment and Collection System. To accomplish this, the following information for the agency to be billed **must** be included on your APHIS Form 90 (refer to Exhibit 10-8).

Name of Agency
Complete Address
Point of Contact with Telephone Number
Accounting Code and Budget Object Code
Agreement Number
Agency Location Code (ALC)
Billing Period
Description of Service
Amount

**Trust Funds/
Miscellaneous
Contributed Funds**

The term “miscellaneous contributed funds”, is another term for trust funds. Miscellaneous contributed funds is he terminology used by Treasury, and this is the official title of the Treasury symbol (12X8226) we use to record obligations and revenue associated with these funds. Trust fund agreements result in funds which reflect the obligations and revenue associated with cooperative undertakings between APHIS and another party.

Appropriated funds are not allocated for costs incurred in Executing trust fund agreements. All costs are the responsibility of the cooperator. Collections are used to carry out the specific project according to the terms of the trust fund agreement or statute. At the end of each fiscal year, trust fund account balances are available for expenditure in the new fiscal year without further action.

**Trust Funds/
Miscellaneous
Contributed Funds
(Continued)**

If a trust fund agreement is entered into with a foreign entity, it is subject to the provisions of the Foreign Assistance Act of 1961 and is negotiated with the Government of the exporting country.

**Trust Fund
Activities**

Trust fund agreements are negotiated for plant preclearance activities in which certain fruits, vegetables, and nursery products are inspected before shipment to the U.S.; for APHIS inspection of cold storage systems on ships used to transport fruits or vegetables to the U.S.; for VS commercial bird import activities; for quarantine and inspection of animals and facilities at points overseas; and for activities to assist State and local government agencies and rancher associations to reduce damage or control losses caused by nuisance animals.

**Trust Funds –
Accounting**

Trust funds require the cooperator to deposit, in advance, an amount equal to the estimated cost of services to be provided. The advance payment should be in an amount sufficient to cover the expected costs to be incurred by APHIS to perform the service or complete the project. VS' Commercial Bird Program requires each cooperator to deposit amounts in advance upon execution of the cooperative agreement.

Appropriation X83 is used for trust fund accounts. All transactions should include the accounting classification code. Each agreement requires the cooperator's balance to be monitored, and, if judged necessary, a bill is issued for additional funds. For the VS commercial bird trust funds, monthly bills for costs incurred are issued to restore a deposit to its original level. Monthly statements for costs incurred are issued from MFSB. Any unobligated balance upon termination or expiration of the agreement is returned to the cooperator. A separate accounting classification code must be established under appropriation symbol 12X8226, Miscellaneous Contributed Funds, for each cooperative undertaking.

**Trust Funds –
Monthly
Statements of
Account**

The project manager is responsible for monitoring trust fund activities and for preparing and submitting the monthly statement of account on a timely basis to keep the customer appraised of the status of fund. A monthly statement must be prepared for each trust fund that has activity during the month.

**Trust Funds –
Monthly
Statements of
Account
(Continued)**

The monthly statement of account is not considered a bill for accounting purposes: no receivable is established in the accounting system. The cooperator has given us an advance of funds to perform the work. The statement should include the beginning balance, the activity processed, the billing period, the accounting code, and the ending balance. Activity reflected in the monthly statement may include additional deposits received, obligations recorded, or agreement cancellation. Agreement cancellation requires a final accounting and may involve a refund of the balance on deposit with APHIS.

Manual Statements. Each project manager has the option of preparing a manual monthly statement of accounts for submission to the cooperator. MFSB generates monthly statements of all APHIS trust fund activities to provide to each program unit using the Detail Transaction Report, the Payroll Report by Pay Period, and the Revenue Reimbursables Detail Report. The manually prepared statement must be consistent with obligations recorded on the monthly accounting reports. Additional information may be added to the accounting reports to make the statement more current.

This information can be in the form of additional checks received and not processed into the accounting system or the correction of errors or omissions of obligations detected in the accounting reports. In either case, The Detail Transaction Report, the Payroll Report by Pay Period, and the Revenue Reimbursables Detail Report should be used as the basis for generation of the monthly statement of account.

**Trust Funds –
Project Manager
Responsibility**

Each project manager is responsible for the use and accountability of funds received for the trust fund. The project manager also is responsible for ensuring that a sufficient fund balance remains in the account to complete the project. In determining additional funding needs, consideration must be given to: 1) information included in the last statement of account, 2) period of time covered by the last statement of account, 3) activity accomplished and not covered by the statement, and 4) projected activity needed to complete the project.

**Trust Funds –
Project Manager
Responsibility
(Continued)**

If, after careful review of the accounting records and statements of account, additional funds are required from the cooperator to continue the project, the project manager notifies the cooperator and provides justification for additional funds. In all cases, the amount of services provided under a miscellaneous contributed funds agreement should not exceed the balance of funds on deposit with APHIS.

**Interagency
Agreement Funds**

An interagency agreement is an acquisition arrangement developed between at least two Federal agencies to obtain needed goods and services (requesting agency) from another Federal agency (performing agency). An interagency agreement may be either between APHIS and another USDA agency or between APHIS and another Government agency outside of USDA. See Chapter 5, Interagency Agreements, APHIS Agreements Management Manual, for APHIS policy and procedures for developing and administering interagency agreements.

The office requesting the service should initiate the interagency agreement process. Authority for interagency agreements is granted under 31 U.S.C. 1535 and provides that agreements can be initiated for goods or services: 1) if amounts are available, 2) if the head of the ordering agency decides the order is in the best interest of the U.S. Government, 3) if the agency that is to fill the order is able to provide the ordered goods or services cannot be provided as conveniently or cheaply by a commercial enterprise.

The Administrator and Associate Administrator may exercise complete authority for all interagency agreements or it may be delegated. The Director, FMD, is delegated authority to approve new, renewed, and amended agreements. This covers projects, programs, and common and/or health service agreements.

An Authorized Departmental Officer's Designated Representative (ADODR) must be appointed for each agreement and is responsible for monitoring the performance and compliance with the terms of the agreement.

**Interagency
Agreements –
Accounting
Procedures**

The procedures outlined in this chapter apply only to the agreements where APHIS is providing the service and will be reimbursed. Each interagency agreement entered into may be funded by either an advance payment or as an estimated reimbursement. All obligations associated with the performance of the agreement must be charged directly to the program code assigned to the agreement. Services provided should be charged to the applicable reimbursable appropriation: USDA Reimbursables – X57; Other Federal Reimbursables – X58; or Non-Federal Reimbursables – X59. MFSB has the responsibility for issuing the required billing statements for services provided by APHIS under interagency agreements.

**Interagency
Agreements –
Services Between
APHIS and
Another USDA
Agency**

When APHIS enters into an agreement to provide services to another USDA agency the approving official submits the original of Form AD-672, Interagency Agreement, to MFSB once it's completed and signed. The Form AD-672 includes the appropriate accounting classification code to be used for billing purposes and indicates the frequency of billing i.e., monthly, quarterly, semiannually, or annually. The Form D-672 also includes the name, address, and phone number of the individual designated as the ADODR.

Requests for Billing. To initiate a billing for services performed, the ADODR provides MFSB with a completed APHIS Form 90, Report of Reimbursable Services Rendered. The APHIS Form 90 is submitted in accordance with the prescribed frequency of billing and gives a detailed listing of services provided. Bills issued to other Federal agencies must be billed through the IPAC, Intra-Governmental Payment and Collection System. To accomplish this, the following information for the agency to be billed **must** be included on your APHIS Form 90 (refer to Exhibit 10-8).

Name of Agency
Complete Address
Point of Contact with Telephone Number
Accounting Code and Budget Object Code
Agreement Number

**Interagency
Agreements –
Services Between
APHIS and
Another USDA
Agency (Continued)**

Agency Location Code (ALC)
Billing Period
Description of Service
Amount

Issuance of Bill. Upon receipt of the completed APHIS Form 90, MFSB enters an IPAC billing document in FFIS. The APHIS Form 90, agreement, and a copy of the IPAC bill are retained by the Accounting Team.

**Interagency
Agreements –
Services Between
APHIS and a
Government
Agency Outside of
USDA**

When APHIS enters into an agreement to provide services to another Government agency outside USDA, the approving official submits the original Form AD-672, or other authorized form, to MFSB. The form used must include the appropriate accounting classification code, frequency of billing, and the name, address, and phone number of the individual designated as the Agency ADODR. Services provided should be charged to appropriation X58.

Requests for Billing. To initiate a billing for services performed, the ADODR will provide MFSB with a completed APHIS Form 90, Report of Reimbursable Services Rendered. The APHIS Form 90 will be submitted in accordance with the prescribed frequency of billing and gives a detailed listing of services provided. Bills issued to other Federal agencies must be billed through the IPAC, Intra-Governmental Payment and Collection System. To accomplish this, the following information for the agency to be billed **must** be included on your APHIS Form 90 (refer to Exhibit 10-8).

Name of Agency
Complete Address
Point of Contact with Telephone Number
Accounting Code and Budget Object Code
Agreement Number
Agency Location Code (ALC)
Billing Period
Description of Service
Amount

Issuance of Bill. Upon receipt of the completed APHIS Form 90, MFSB prepares a Form AD-673, Request to Bill. The completed AD-673 is then forwarded to NFC for processing through IPAC. MFSB forwards a copy of the AD-673 along with the APHIS Form 90 to the billed agency.

Funds from Cost-Sharing Agreements

Cost-sharing agreements are agreements by more than one party where each party agrees to fund and pay for their agreed share of expenses. For example, they agree to share and fund a mail room which services more than one agency. Each agency pays their share of the costs. Several APHIS agreements are performed on a cost-sharing basis. These agreements are in the form of a percentage of the total dollars to be expended by each party in accomplishing the agreement. These agreements require each party to fund and pay for their agreed share of expenses. On an annual basis, a reconciliation of the prorated share of expenses incurred by each party to the agreement must be performed. In any situation where APHIS has incurred total expenses greater than the agreed to percentage identified in the agreement, a bill must be initiated to the other party to recover the excess expenses.

After the final reconciliation is completed and agreed to by each party of the agreement, the APHIS project manager will provide an APHIS Form 90, Report of Reimbursable Services Rendered, to MFSB to initiate a bill.

Bills Issued to Other Federal Agencies. If the billed party is another Federal agency, they must be billed through the IPAC, Intra-Governmental Payment and Collection System. To accomplish this, the following information for the agency to be billed **must** be included on your APHIS Form 90 (refer to Exhibit 10-8).

Name of Agency
Complete Address
Point of Contact with Telephone Number
Accounting Code and Budget Object Code
Agreement Number
Agency Location Code (ALC)
Billing Period
Description of Service
Amount

Upon receipt of the APHIS Form 90, MFSB enters an IPAC billing document in FFIS. The APHIS Form 90, agreement, and a copy of the IPAC bill are retained by the Accounting Team.

Funds from Cost-Sharing Agreements (Continued)

Bills Issued to Non-Federal Parties. If the billed party is a non-Federal entity, MFSB will issue a miscellaneous billing document (BD) upon receipt of the APHIS Form 90. The bill, along with a copy of the APHIS Form 90, will be submitted directly to the cooperator.

Civil Penalties

Civil penalties are fines received from individuals or companies who have violated APHIS regulations and who dispute the violation. (See the Regulatory Enforcement Stipulations section below if the individual or corporation agrees that they are in violation and agree to pay their fine without going to court). When the individual or corporation does not acknowledge the violation, the case is brought before an administrative law judge. If the judge determines that a civil penalty is due to APHIS, then the judge determines the appropriate amount of the penalty.

The docket from the court proceedings and the decision information is sent to MFSB for processing. MFSB bills the individual or company for the penalty amount. The beginning date for interest calculations is the date of the first demand letter.

The violator sends payments for civil penalties to an ART P.O. Box or to the attorney for the civil penalty case. If it is sent to ART, ART completes an APHIS Form 94 and sends the collection to the lockbox. ART monitors and reports payments received by debtors to the IES Regional Directors on a monthly basis. If the payment is sent to the attorney for the civil penalty case, the attorney will forward the payment to FMD where a FMD employee completes an APHIS Form 94 and send the collection to the lockbox. Appropriate supporting documentation should be included with the payment.

Regulatory Enforcement Stipulations

Regulatory enforcement stipulations result from APHIS identifying violations to animal care regulations, and fining the individual or corporations who are in violation of these regulations. These fines are considered stipulations since the individual or corporation acknowledges the violation and agrees to pay the fine.

**Regulatory
Enforcement
Stipulations
(Continued)**

(See the Civil Penalties section above if the individual or corporation disputes the violation). The U.S. Customs Service also collects stipulation fees on behalf of APHIS. APHIS pays U.S. Customs a fee for collecting fines on our behalf, so MFSB only receives a portion of the fines collected.

For fines other than those collected by Customs, APHIS bills the violator. The violator sends the fine to ART who completes an APHIS Form 94 and sends the payment to the lockbox. When fines are collected by Customs, a portion of the fines are forwarded to ART and ART completes an APHIS Form 94 to send the payment to the lockbox. ART refers uncollected debts to the Department of Justice (DOJ) and/or to Treasury Offset.

**Other Types of
Revenue and
Reimbursements**

A number of actions and events occur during the performance of official and unofficial duties which may result in APHIS issuing a billing statement. These events can be the result of headquarters or field investigations, or they can occur as the result of investigations or audits performed by parties outside of APHIS.

In either event, a determination is made as to the liability and monetary damages or repayment necessary to satisfy the debt resulting from the performance of actions or events. MFSB has the responsibility for issuing billing statements and conducting followup actions to ensure that outstanding debts are collected.

**GSA Sale of
Vehicles**

At the time the vehicle is sold, GSA notifies NFC of the amount collected. NFC records the initial collection and notifies MFSB of the collection. MFSB transfers the collection to the appropriate accounting code from which new vehicles were or will be purchased.

**Overpayments to
Employees**

On occasion, an employee may receive excess funds for which he/she is not entitled. The funds can be in the form of salary overpayments, unused foreign allowance payments, or unused travel advances. In each incident of overpayment, the employee is responsible for seeking an explanation of the overpayment from his/her supervisor.

**Overpayments to Employees
(Continued)**

The supervisor should seek an explanation of the overpayment from MFSB. MFSB will identify each unexplained change in pay or allowances and notify the affected employee and supervisor.

If the determination is made, after proper investigation, that an overpayment was erroneously made to an employee, MFSB will determine the appropriate way to bill the employee. If overpayments are for salary or travel, NFC will issue a bill to the employee from ABCO. For other overpayments, MFSB will issue a miscellaneous billing document (BD) for the amount of the overpayment. The bill will be submitted to the employee detailing the reason for the bill, amount due, and payment terms.

Motor Vehicle Accidents

Damages to a Government-owned vehicle (GOV) resulting from a motor vehicle accident must be recovered. Each accident involving a GOV must be investigated, documented, and reported in accordance with the APHIS Motor Vehicle Fleet Management Manual and the APHIS Safety and Health Manual. All information developed during the course of investigation is provided to MFSB.

MFSB reviews all pertinent data from the investigation and issues a report which outlines all information reviewed, the liable party, the amount of the liability, and the basis for its findings. Based on this report, MFSB issues a miscellaneous billing document (BD) to the party determined liable. This bill shows the basis for the bill, amount due, payment terms, due date, and the rate of interest to be applied for non-payment by the due date. Payments received by MFSB are attached to an APHIS Form 94 and forwarded to the St. Louis lockbox.

**Illegally Imported Bird Fees
(Smuggled Birds)**

APHIS regulations outline the requirements that individuals must meet if they wish to import birds into the U.S. Usually, APHIS requires that the birds undergo a 30-day quarantine in an approved VS facility prior to being release into the U.S. Other U.S. Government regulations prohibit individuals from importing birds into the U.S. that are on the endangered species list. To bypass these regulations, some individuals will attempt to smuggle birds into the U.S.

**Illegally Imported
Bird Fees
(Smuggled Birds)
(Continued)**

Often, either the U.S. Customs, the Fish and Wildlife Service (FWS), or APHIS will detect the smuggling and confiscate the bird(s) at the point of entry. In a few cases, an individual will present a bird for importation at an APHIS facility for quarantine, and the Fish and Wildlife Service will alter confiscate the bird if they find out that it is on the endangered species list. Birds seized by Customs or FWS are released to APHIS, VS, for mandatory quarantine. Upon completion of the quarantine, VS may return the birds to Customs or FWS or conduct a public auction to sell the birds.

An MOU is in place between Customs, FWS, and APHIS to set forth the responsibilities relative to the seizure, forfeiture, and sale of illegally imported birds and the handling of costs and distribution of proceeds resulting from their sale. All obligations and reimbursements related to the quarantine of these birds are recorded in Appropriation X75 under Reporting Category 930.

**Animal Welfare
License Fees**

The Animal Welfare Act regulations require the licensing of animal dealers, exhibitors, and operators of animal auction sales where animals regulated under the Act are sold. Licenses are valid unless the licensee terminates the license voluntarily or fails to renew it, or the license is suspended or revoked by an Administrative Law Judge in an enforcement proceeding. APHIS charges fees for these licenses, but we are required to deposit the collections as “miscellaneous receipts” in the U.S. Treasury.

APHIS sends out a notice of license expiration three months before the expiration of a current license. This notice of expiration does not list the license fee, and it does not serve as a bill to the licensee. The amount of the fee is based on a sliding scale which considers various factors. The licensee determines what he/she owes from this sliding scale and submits payment to his/her local APHIS office. The local APHIS office issues a new animal welfare license and forwards payment and supporting documents to the lockbox in St. Louis.

**Animal Welfare
License Fees
(Continued)**

ART receives supporting documentation from the lockbox. The customer also can pay by credit card. Mellon Bank notifies ART when it receives collections for animal welfare license fees by credit card, and ART enters the credit card collection information into the FFIS system.

**Refunds Received
by APHIS**

Refunds received by APHIS may be due to overpayments or adjustments of amounts previously disbursed from appropriated or trust fund accounts. These refunds to APHIS are recorded as expenditure refunds, not revenue, as they reduce the amount of obligations and disbursements previously recorded in the accounting system. If, however, APHIS receives a collection of balances previously written-off, that is considered revenue.

**Miscellaneous
Collections**

Miscellaneous collections are collections received at the NFC St. Louis lockbox without supporting documentation that cannot be identified with a specific revenue source. Collections from the sale of property, overpayments, and non-Federal travel reimbursements are examples of APHIS' miscellaneous collections. Payments are deposited into a separate lockbox in St. Louis and the bank mails the information from this miscellaneous collection to MFSB. MFSB researches these collections and enters the collections into the appropriate accounts.

Collections

APHIS provides many services for which it collects a fee. The funds can be in the form of cash, check, money order, wire transfer, or credit card. The collection can be the result of an advance payment for a future service to be provided, a payment received upon completion of a service, or the result of a bill issued for services provided. This section identifies types of collections, handling and safeguarding collections, depositing or transmitting receipts, refunds, and internal controls. Information about collections relating to specific types of fees or charges is covered earlier in this chapter.

Types of Collections

Collections Deposited to APHIS Accounts. When the Agency has specific authority to retain collections, APHIS will deposit collections to the appropriation or fund from which the cost of providing the services was paid. Examples of collections with this type of depository authority are VS user fees, reimbursable overtime, and agreements.

**Types of Collections
(Continued)****Collections Deposited to Treasury General Receipt**

Accounts. Funds from activities for which APHIS does not have specific statutory authority to deposit to their appropriation or fund are governed by OMB Circular A-25, User Fees, and must be deposited as miscellaneous receipts to the general funds of the Treasury Department. Examples of these proceeds are civil penalties, animal welfare license fees, and proceeds for damage to Government property.

Collections Deposited to the AQI Special Receipt Account.

APHIS has one special receipt account established at Treasury called the “Agricultural Quarantine Inspection User Fee Account”. APHIS must deposit all fees we collect for AQI services in this account. APHIS employees are not responsible for collecting these fees; either the U.S. Customs Service collects the fees for us or our customers send them directly to a lockbox in St. Louis. (See Chapter 3 for more information on this account).

**Handling and
Safeguarding
Collections**

APHIS employees receiving Agency funds are responsible for properly handling and safeguarding the funds until they deposit them into a lockbox. Each employee is liable and accountable for all funds received.

Identification of Collections. Employees must properly identify each collection received with the name of the payer, reason for payment, date received, amount received, accounting code to be used for deposit, and the appropriate check information. If payment is by the customer’s personal check, the employee also must record the driver’s license number and issuing State.

Safeguarding Collections. Office managers should ensure that adequate safekeeping facilities are available. This may include a combination-locked safe, a fire resistant file cabinet with a lock, or another secured means of safeguarding collections. The means used to safeguard collections should be commensurate with the amount of funds received on a routine basis. Store only official collections, official papers, and accountable documents and forms.

**Handling and
Safeguarding
Collections
(Continued)**

Funds for Change-Making Purposes. Many offices collect fees on-site for a variety of services that APHIS provides. The preferred form of collection for these services is check, money order, or credit card (where available). Cash can be accepted when the payee cannot utilize one of the preferred methods. When this occurs, it may be necessary to accommodate the payee by providing change when they do not have the exact cash amount. Many offices in the past have utilized a Class D Imprest Fund Cashier for this purpose. This is a person who receives an advance of funds solely for change-making purposes. If you require an imprest fund for change-making, please contact the Accounting Team of MFSB.

Conversion of Cash Receipts. Do not send cash through the mail or convert cash to a personal check. Employees must convert cash collected to a cashier's check or money order. No part of the collection may be used to pay for the cost of purchasing the cashier's check or money order. The cost of purchasing the cashier's check or money order should be submitted for reimbursement to MFSB, Financial Services Payments Team using an SF-1164, Claim for Reimbursement for Expenditures on Official Business.

**Depositing and
Transmitting
Collections**

How APHIS deposits its collections depends upon the service or goods the payment is for. Employees will send payments received to a lockbox bank. In other cases, the customer will send the collection directly to a lockbox bank or MFSB. The U.S. Customs Service also collects some of our fees and credits them to APHIS using an adjustment to the SF-224. This section of the Manual addresses how employees will deposit and/or transmit collections they receive. Exhibit 10-6 summarizes the types of collections and how employees should deposit the collections. See Section 10.4, Lockbox Procedures, VS User Fees Operating Procedures Manual, for procedures on transmitting VS user fees (including VS reimbursable overtime) to their lockbox.

Frequency and Form of Deposits. Employees must deposit collections or transmit collections for deposit within 24 hours, if practical, but no later than the second workday from the date of receiving the collection. As mentioned in the above section, employees will only mail checks and money orders.

Depositing and Transmitting Collections (Continued)

Revenue Object Class Codes. A revenue object class code must be associated with each deposit. See Exhibit 10-7 for the proper code to use.

Collections Transmitted to Lockbox Bank. There are several types of collections which are transmitted to the lockbox bank in St. Louis on APHIS Form 94, Record of Public Funds Received. See Attachment 10-2 for a sample. This includes trust fund payments, jury duty payments, civil penalties, proceeds from the sale of property, and collections APHIS receives for copying public information in accordance with the Freedom of Information Act (FOIA). See Marketing and Regulatory Programs Directive 4630.1, Absence and Leave, for determining if the jury duty payment is subject to refund to APHIS. If the entire fee is for remittance to APHIS, endorse the check for deposit to USDA, APHIS. These collections should be sent to USDA, APHIS, P.O. Box 952180, St. Louis, MO 63195-2180.

Collections Transmitted to NFC. Reimbursable overtime collections for PPQ are sent directly to the lockbox bank for processing. These collections must be submitted with the original APHIS Form 89, Report of Reimbursable Inspection and Quarantine Service, to USDA, APHIS, ROT, P.O. Box 952179, St. Louis, MO 63195-2179. Reimbursable overtime collections for VS are also submitted to the lockbox bank. These collections must be submitted with the APHIS 81 Form, Statement of Services, to USDA, APHIS, VS, P.O. Box 955683, St. Louis, MO 63195-5683.

Revenue Refunds

Customers will request refunds for a variety of reasons. APHIS has the responsibility to review each case and approve or deny a credit to a customer's account or a refund. We review supporting information, gather any necessary additional information from the customer, and verify the validity of the credit/refund.

Limitations on Refunds. Any amount equal to one dollar or more, and for which the rightful owner's whereabouts is known, will be returned to the owner. Any amount less than one dollar will be returned to the rightful owner upon request from the owner. For rightful owners whose whereabouts are unknown, the procedures outlined in the Treasury Financial Manual, Part 6, Chapter 3000 (July 1995) will be followed.

**Revenue Refunds
(Continued)**

Method of Refunding. An amount due to an APHIS account holder will be credited to his/her account, or at the request of the account holder, a refund will be issued. An amount due to a customer who paid by credit card will be issued as a credit back to the original credit card. An amount due to a customer who paid by cash, check, or money order will be refunded by Treasury through NFC.

Where to Send Refund Requests. Refunds for PPQ AQI user fees (passengers, aircraft, railroad cars, trucks, vessels) are coordinated through FMD, Financial Systems and Services Branch, User Fees Section. Inquiries regarding refunds for PPQ AQI user fees should be directed to the Section Head, FMD, FSSB, User Fees Section.

All other refunds (including refunds for VS user fees and for PPQ phytosanitary certifications) are coordinated through MFSB. The VS User Fees Operating Procedures Manual contains complete VS user fees refund procedures, and Appendix 1 of the PPQ Export Certification Manual provides procedures for phytosanitary certification refunds.

Internal Controls

Tracking Collections. Each employee is liable for all funds received. Each collection received must be properly documented and not commingled with personal funds. A log of collections and deposits should be maintained at each office and should include a sequential number; the name and address of the payee; the purpose, amount, and date of the collection; the check or money order number; information to cross-reference the collection with the transmittal (i.e., APHIS Form 94; AD Form 311; or a transmission report for VS user fees); and the date the collection was transmitted to the lockbox. See Exhibit 10-1, VS User Fees Manual, for a sample collections log.

Separation of Duties. Separation of duties is a tool used to attempt to prevent the misuse of cash receipts and its concealment in the accounting records. Taking into consideration staffing limitations, one employee should collect the receipts and enter them on the log. A separate employee should enter the collections into the accounting system and transmit the collections. To ensure no collections have been lost or omitted, a third employee, preferably an office manager, should daily reconcile collections to amounts transmitted and initial the log indicating no deviations.

